

Old Age, Disability, Death

First law: 1956.

Current law: 1992 and amended 1997.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 3,890 manat.

Local authorities and employers may provide supplementary benefits out of their own budgets.

Coverage

All employed persons residing in Azerbaijan, including self-employed and members of collective farms. Special social pension for aged, disabled, and survivors not otherwise eligible for social insurance (i.e., employment-related pension) benefits.

Source of Funds

Insured person: Contribution rate(s) not readily available.

Employer: Contribution rates vary according to type of enterprises. Rates not readily available.

Government: Subsidies as needed. Full cost of social pensions. Above contributions also finance benefits for cash sickness, maternity, work-injury, and for family allowances.

Qualifying Conditions

Old-age pension: Age 61 and 25 years of covered employment (men) or age 56 and 20 years of work (women, pensionable ages as of August 1, 1999); requirements reduced for hazardous or arduous work, for mothers of 3 or more children or of disabled children until age 16, and others.

Gainfully employed pensioners not subject to earnings test, but disqualified for dependent or special care supplements.

Covered employment includes years pursuing higher education; caring for those aged 75 or older, Group I disabled, or disabled under age 16; military services, and other specified conditions.

Social pension: non-working citizens not eligible for old-age pension and aged 65 for men and 60 for women (or 55 if mother cared for child to age 3, age 8 if more than one child or cared for disabled child).

Disability pension: Total disability (incapacity for any work):

Group I disability, requiring constant attendance; Group II disability, not requiring constant attendance.

Partial disability (incapacity for usual work): Group III disability.

Insured has a minimum of 1 year of covered employment, if aged 23 and older.

Social pensions: Group I, II, or III disabled not eligible for disability pension or disabled children under age 16.

Survivor pension: Insured has 1 to 15 years of work (depending on age of insured at death), payable to surviving children whether or not dependents of the insured; and to non-working dependents (including spouse; children under age 18 or older, if disabled before age 18; students under age 23; either parent, if disabled or pensioner; and other relatives if dependent on deceased for support).

Social pension: payable to qualified surviving dependents who are ineligible for survivor pension due to insufficient length of covered employment of insured.

Old-Age Benefits

Old-age pension: Payable monthly at 100% of minimum wage and 50% of average wage of insured, plus 1% of average monthly wage (but not less than 1% of minimum wage) for each year in excess of 25 (men) or 20 (women) years of work (or in excess of required years of covered employment under specified conditions). Average wage derived from either the average of either 60 highest wages calendar months or 24 highest calendar months of the insured, whichever is higher.

Additional 50% or 100% of minimum pension payable monthly to citizens honored for specified distinction in serving the country.

Minimum: 100% of minimum wage.

Partial pension (if insufficient years of covered employment):

Monthly benefit reduced in proportion to number of years below required years of coverage, but not less than social pension.

Dependent supplement: 50% of minimum pension per month per dependent.

Special care supplement: 50 percent of minimum pension per month if single pensioner aged 75 or older.

Disability supplement: 250% of minimum pension per month for Group I disability, 200% for Group II, 150% for Group III.

Supplements to other groups at 100% of minimum pension per month under specified conditions.

Social pension: 80% of minimum wage per month.

Adjustment: Benefit adjustments according to changes in minimum wage.

Permanent Disability Benefits

Disability pension: Group I disability: payable monthly at 100% of minimum wage and 60% of average monthly wage of insured, plus 100% of minimum old-age pension for constant attendance. Group II disability: 100% of minimum wage and 40% of average monthly wage of insured. Group III disability: 50% of minimum wage and 25% of average monthly wage.

Dependent supplement for Group I and II disability: 50% of minimum old-age pension per month per dependent.

Minimum: Group I and II disability, 100% of minimum old-age pension; Group III disability, 65% of minimum old-age pension.

Partial pension (if insufficient years of covered employment):

Monthly benefit reduced in proportion to number of years below required years of coverage.

Social pension: 100% of minimum wage for Group I disability or both Group I or II, if disability began in childhood, and disabled children under age 16; 80% for Group II disability (excluding disabled to age 16); 65% of minimum wage for Group III disability, if disability began before age 16.

Adjustment: Benefit adjustments according to changes in minimum wage.

Survivor Benefits

Survivor pension: For each dependent survivor, payable monthly at 50% of minimum wage and 25% of average monthly wage of deceased (50% of average monthly wage if loss of both parents, or death of single mother).

Minimum pension: 80% of minimum of old-age pension.

Social pension: 80% of minimum wage, payable monthly, for each orphan(s) or non-working parents, grandparents, aunt and uncle,

siblings who were employed by deceased for caring disabled child under age 8.

Adjustment: Benefit adjustments according to changes in minimum wage.

Administrative Organization

Republic Ministry of Labor and Social Protection; general coordination and supervision.

Republic Pension Fund and its regional counterparts, collection and management of payroll contributions and financing of benefit payments.

Regional and local departments of labor and social protection; administration of program.

Medical care: Republic Ministry of Health, and health departments of local governments, general supervision and coordination; provision of medical services through clinics, hospitals, and other facilities administered by the Health Ministry and local health departments.

Unemployment

First and current law: 1991.

Type of program: Social insurance system.

Coverage

Working age citizens residing permanently in Azerbaijan (excluding students at secondary or vocational schools, owners of private farms, pensioner receiving social pensions).

Source of Funds

(as of January 1994)

Employee: None.

Employer: 2% of payroll.

Government: Subsidies as needed from Republic and local governments.

Qualifying Conditions

Unemployment benefit: At least 12 weeks in covered employment within last 12 months preceding unemployment. Registered at employment office within 2 weeks of unemployment; ability and willingness to work.

Benefits may be reduced or suspended (up to 3 months), if the unemployed refuses 2 offers of appropriate job placements, refuses appropriate job placement after receiving training provided by the State Employment Services, violates conditions of training, twice violates conditions of registration within the same month; files fraudulent claims, or is in prison.

Unemployment Benefits

Unemployment benefit: Unemployment benefits are paid no later than 11 days of registration for a total of 26 weeks, plus an additional 2 weeks for every year worked over 25 years (20 for women), not to exceed 52 weeks. For the unemployed with 10 or more years of covered employment, 75% of average pre-unemployment earnings for the first 13 calendar weeks and 60% for the following 13 calendar weeks. For the unemployed who has less than 10 years of employment, 70% of average earnings for the first 13 calendar weeks and 55% for the following 13 weeks. Maximum: average pre-unemployment earning may not exceed local average wage; minimum: 100% of local minimum wage (minimum wage: 4,000 manat as of January, 1995).

Unemployment allowances: payable to the unemployed during vocational training, with at least one year of continuous covered employment, 75% of average pre-unemployment earnings.

Maximum: average pre-unemployment earning may not exceed average monthly wage in the Republic; minimum: 120% of established minimum wage.

Dependent supplement: 10% of unemployment benefit for each dependent.

First-time job seekers or re-entrants after more than one year out of employment: 100% of minimum wage.

Work Injury

First law: 1956.

Current law: 1955 (short-term benefits); 1992 (pensions).

Local authorities and employers can provide supplementary pension benefits out of their own budgets.

Type of program: Dual social insurance (cash benefits) and universal (medical care) system.

Coverage

Cash benefits: Employed persons residing in Azerbaijan.

Medical care: All residents.

Source of Funds

Insured person: See pension contributions, above.

Employer: Same.

Government: Same; cost of medical care.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 100% of average monthly earnings of place of work; minimum, 120% of minimum wage. Payable from first day of incapacity, until recovery or award of disability pension.

Permanent Disability Benefits

Permanent disability pension: Same as general disability pensions above, plus 10% of minimum wage per dependent.

Workers' Medical Benefits

Medical benefits: Medical services provided directly to patients by governmental health providers, including general and specialist care, hospitalization, laboratory services, transportation, plus full cost of appliances and medicines.

Survivor Benefits

Survivor pension: Same as general survivor pensions above.

Administrative Organization

Temporary disability benefits: Enterprises and employers pay benefits to own employees.

Pensions: Same as under old-age, disability and survivor pensions above.

Unemployed older workers (men aged 58-60, women aged 53-55) benefits payable equal to 100% of old-age pension until pensionable age (men aged 61, women aged 56, as of August 1, 1999). (Both unemployed and dependents may receive in-kind assistance after exhaustion of unemployment benefit.)

Administrative Organization

Republic Ministry of Labor and Social Security and State Employment Service, general oversight. Regional and local departments of social security, employment services, and trade unions, administration of program.

Note: Information is not readily available for “Sickness and Maternity (medical care),” and “Family Allowances.”